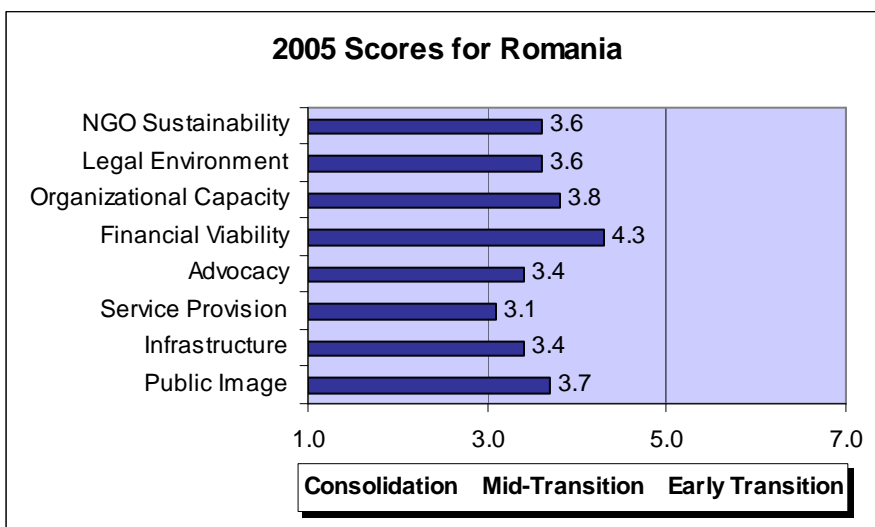


## Romania



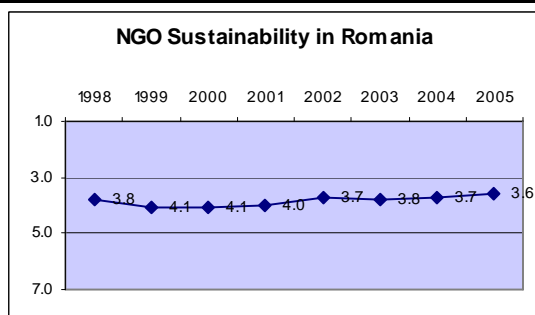
**Capital:** Bucharest

**Polity:** Republic

**Population:**  
22,300,000

**GDP per capita  
(PPP):** \$8,400

### NGO SUSTAINABILITY: 3.6



The overall NGO sustainability score improved since last year, driven by improvements in the legal framework governing NGOs, as well as increased visibility of organizations that provide social services and engage in advocacy, which led to greater public trust. Developments in the

legal environment include a new Law on Associations and Foundations, the enactment of implementing regulations for the new “1%” law, and reforms to the laws on social services. Improved advocacy efforts include those of the Coalition for a Clean Parliament, which following the 2004 parliamentary and presidential elections became the Coalition for a Clean Government. During the elections, the coalition monitored the selection of candidates; now it monitors the new government and identifies potential conflicts of interest. Financial viability continues to be the weakest dimension for many organizations. Most depend on foreign donors, and approximately two-thirds of all organizations describe their funding as inadequate.

### LEGAL ENVIRONMENT: 3.6

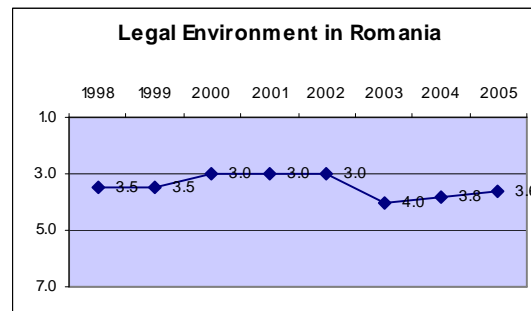
The NGO legal framework experienced important changes in 2005, as organizations took advantage of the favorable political environment to press reform initiatives. The most important development was the passage of Law 246/2005, in which Parliament, after five years, enacted Government Ordinance (OG) 26/2000 on Associations and Foundations as law. Organizations were involved in parliamentary debates on the law. They also

promoted a series of amendments to eliminate constraints imposed by another government ordinance and to address issues that arose in the implementation of OG 26/2000. The most important provisions of the new law improve the registration process, in part by eliminating the requirement that an appropriate Ministry sign off on an organization’s application before it is approved. The law also removes preferential status for public utility organizations, as well as

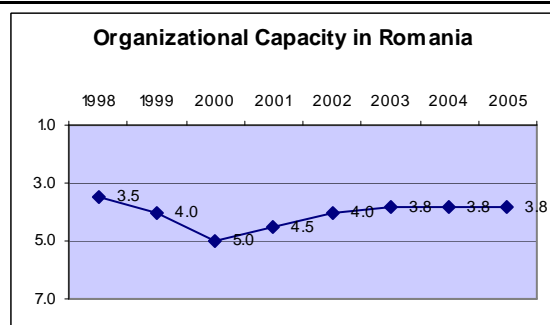
creates regulatory mechanisms for the legal status of local branches, procedures for splitting and merging organizations, and the appointment of internal financial auditors.

In another significant development, the Ministry of Finance adopted implementing regulations for the 1% law. The initial draft of the regulations would have subjected tax payers, who were seeking to use the law, to complex bureaucratic processes. NGOs successfully lobbied for the less complex process that was enacted. The Ministry of Culture and Religious Affairs adopted a new ordinance regulating non-reimbursable funding through the National Cultural Fund, providing an additional channel

for NGOs to access public funds. Another new law regulates the registration, organizational structure, and operation of social assistance institutions, and volunteerism in homecare services for the elderly.



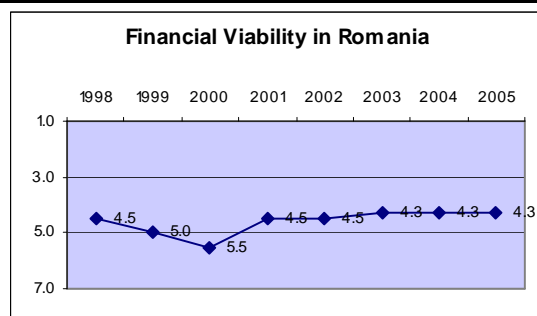
## ORGANIZATIONAL CAPACITY: 3.8



Local funding continues to be scarce. Grassroots organizations and newly formed NGOs tend to develop their programs around existing funding opportunities, rather than adhering to clear missions. Social service organizations, however, tend to adhere to their mission statements in order to comply with the new legal requirements associated with the allocation of social assistance funding. The concern that foreign funding will decrease has motivated organizations to improve their constituency building. The new “1% law” has also begun to motivate organizations to reach out to their communities with hope that constituents will dedicate funds towards their projects.

Many organizations fail to clearly delineate their governance and management functions, diminishing the efficacy of both. Boards of Directors have yet to engage in significant strategic planning, focusing instead on organizational matters. New research by the Civil Society Development Foundation (FDSC) confirms that volunteers are a valuable resource for NGOs, especially those focused on culture, education, youth, and the environment. Many smaller local organizations do not have a permanent staff and rely primarily on volunteer labor. The FDSC’s research also found that Romanian organizations generally have the technology and infrastructure to carry out their daily activities. Most of their equipment, however, was bought with foreign funding; NGOs express concern that as foreign funding decreases, they will not be able to update and replace their equipment as needed. Grassroots organizations, which do not have the same access to foreign funding as other NGOs, often lack the equipment they need.

## FINANCIAL VIABILITY: 4.3

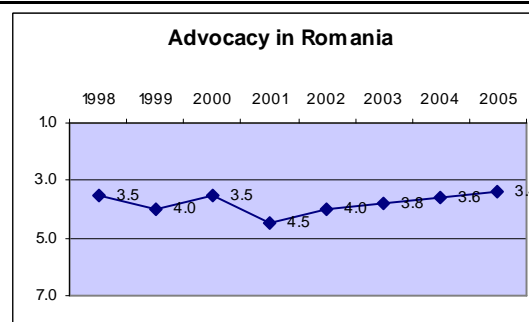


Financial viability continues to be an issue for the development of the NGO sector. Nearly two-thirds of the organizations surveyed by the FDSC reported their financial resources as being at best “inadequate.” Environmental, educational, cultural, and youth organizations appear to be the most affected by the lack of funding. Most organizations are unable to generate support at the local level, and instead depend on international donors. Many in the NGO community are concerned that the upcoming EU accession will cause a decrease in foreign funding, which has sparked discussions and debates on alternatives. Organizations have become more efficient in developing local volunteerism. FDSC’s research indicates that over the past year approximately 7% of the public engaged in volunteer activities on a regular basis, while 25% did so sporadically.

Organizations often lack the skill to seek out and engage existing sources of local funding. The response to the flooding this year demonstrates that the public is willing to make charitable donations. Several NGOs undertook fundraising campaigns to aid flood victims. A small number of organizations relies more on public funding and support from local businesses. The Ministry of Culture and Religious Affairs financed 34 NGO projects, providing 10 billion ROL (US \$334,000) in grants. The “1% law” has created an opportunity for NGOs to diversify their financial resources, though analysts will be unable to determine its impact until after the authorities process the 2004 income tax bills and transfer funds to the recipient NGOs. Preliminary data released by the Ministry of Finance in November 2005 indicates that 2% of the population participated, donating approximately \$1.4. Numerous organizations are aware of the need to diversify their sources of income, and have therefore developed commercial activities such as training and consulting services, or selling goods produced by their beneficiaries. Some complain that the market is unwilling to pay full value for their services and products.

## ADVOCACY: 3.4

In response to requests made by NGOs, the ministries agreed to organize public debates that provide NGOs and the media an opportunity to present their views on government policy and decisions. In June 2005, the Prime Minister announced the creation of the College for Civil Society Consultations within the Department for Analysis and Political Planning. The goal of the College is to connect public administration with civil society by ensuring civic participation in drafting, amending, and implementing public policy.



NGOs’ efforts to influence public decision-making are more visible at the national level, where organizations have created informal networks to monitor the implementation and transparency of government policy. These

networks have been created in areas such as social services, anti-corruption, child welfare, the environment and business. The Advocacy Academy monitored parliamentary debates on legislation concerning business-related issues, and distributed its findings to other

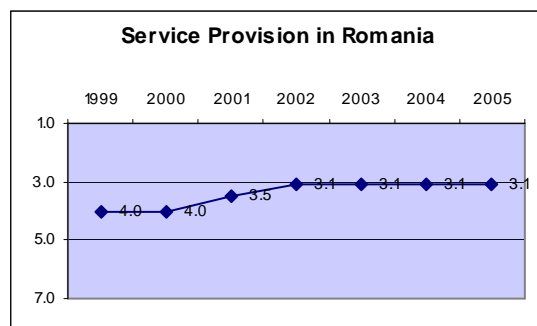
NGOs, the media, and political parties. Throughout the year, social service organizations, which united in support of OG 68/2003, the Social Assistance Law, participated in discussions concerning changes proposed by the Ministries of Labor, Social Solidarity, and Family. During the 2004 local and national elections, the Coalition for a Clean Parliament successfully advocated for increasing transparency in the selection of candidates. Following the elections, the coalition became the Coalition for a Clean Government, and now monitors the new government, calling attention to potential conflicts of interests at the local

and national levels. In response to reports of fraud during the 2005 elections, NGOs have spoken out about the need to reform the election laws. Specifically, organizations such as the Pro Democracy Association and the Institute for Public Policy are arguing for the introduction of a nominal voting procedure in Parliament and other reforms to the electoral system.

The most successful advocacy and lobbying effort resulted in the enactment of Law 246/2005 concerning association and foundations. NGOs are now able to bring their issues to the attention of public authorities, the ministries, MPs, the diplomatic missions, and media. Throughout the legislative process, NGOs actively participated in the debates hosted by the Justice Commissions of the Chamber of Deputies and of the Senate.

### SERVICE PROVISION: 3.1

Romanian NGOs provide services in a variety of areas, and social service organizations are the most developed sub-sector. According to the FDSC, 56% of citizens are of the opinion that domestic NGOs are the most effective in addressing the needs of marginalized citizens. Only international organizations scored higher, with 62%. The church, business sector and government were all ranked below domestic NGOs with scores of 54%, 48%, and 43.2% respectively.



NGOs are widely recognized for expertise in areas other than social services; though these services are generally provided pro-bono. NGOs played an important role in the negotiations of several acquis chapters within

the EU accession process. NGO expertise in environmental protection has been vital in important issues such as the conservation of protected areas.

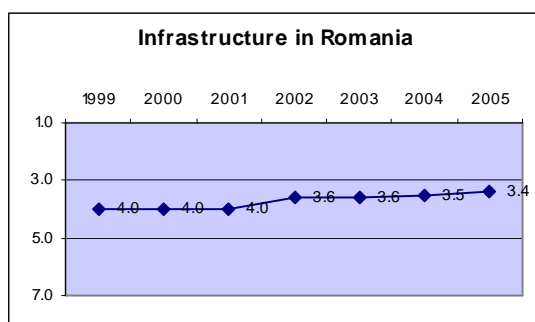
Organizations have also provided expertise in counseling and training unemployed workers. Professional associations, foundations, employer associations, trade unions, and student associations offer 689 of the 2,617 courses registered with the National Council for the Professional Training of the Adult Population. Several organizations provide training for employees of NGOs and businesses, and public servants. In March 2005, for example, thirteen organizations began offering training as a part of the 30.8 billion ROL (US \$1.03 million) child welfare program aimed at creating a network of 1,200 foster care professionals.

Despite these positive examples, NGO representatives believe that the market for such services continues to be underdeveloped. The demand for services is limited and NGOs rarely recover the cost of providing them. Consumers tend to underestimate the value of services and believe that NGOs should provide services free of charge.

### INFRASTRUCTURE: 3.4

The number of resource centers has not changed significantly over the past year. Well developed centers such as CENTRAS, Bethany, Alpha Transilvana, and the Association for Community Relations continue to offer NGOs a broad range of services. These NGO resource centers provide grants, information, and trainings as well as consultancies and networking opportunities. They also organize fundraising, awareness, and information campaigns at the national and local levels. Despite their ability to provide important services, many resource centers operate more like project-oriented NGOs rather than specialized organizations. In addition, their ability to mobilize local resources is often limited, and they are generally unable to charge fees due to the financial limitations of their constituents.

In 2005, local grant-making organizations continued to support NGOs. Specific areas of interest include child welfare, funded by the Princess Margarita of Romania Foundation, and community development, funded by the Association for Community Development. The United Way Romania raised \$18,000 from businesses and their employees, and then awarded grants to 14 organizations. This was the only the second year for the program, and significant progress was made.



Over the past year, the NGO sector continued to develop networks and federations, and create umbrella organizations. A June 2005

### PUBLIC IMAGE: 3.7

Relations between NGOs and the media continued to improve. The media's coverage of

study conducted by CENTRAS identified 121 such organizations with domestic and international affiliations. Past studies report that umbrella organizations form within one sector, and fail to include others. The Pro Child Federation, for example, is a network of forty-four child welfare organizations that continued to grow throughout 2005. Another example is UNOPA, a federation of twenty-three associations of persons affected by HIV/AIDS. Despite these examples, communication and information-sharing between civil society organizations remains limited and informal.

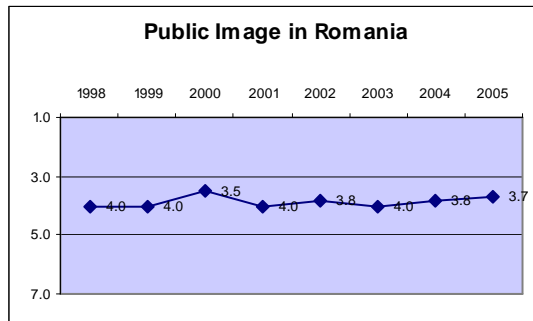
Training services available to NGOs continued to grow and diversify. According to the FDSC training database, in the first half of 2005, requests for training from organizations outside of Bucharest increased by 25% over last year.

Citizens Advice Bureaus (CABs) continue to function and promote partnership between NGOs and local authorities. Five new CABs were created with EU-Phare support with four of these CABs opening in rural or semi-urban communities. Thirty of the fifty-two operational CABs continue to receive EU-Phare grants, while others are supported by local governments and other donors such as the Balkan Trust for Democracy.

NGOs and the government cooperated on specific issues over the past year, including the dissemination of standards in child welfare and implementing regulations for the "1%" law. Cooperation with the media has also increased in specific areas such as environmental protection and the flood relief campaign. Despite these examples, cooperation between civil society and other sectors continues to be limited, and few organizations partner with government institutions, the business community, or media.

NGO activities was positive, especially for social services and environmental protection. This

year, the Civil Society Gala recognized the best NGO initiatives, attracting excellent publicity. Organizations are concerned that the negative stereotypes of NGOs might be reinforced by isolated cases that receive broad media coverage. In one example, the media has reported on soccer clubs that register as foundations so that owners avoid paying taxes on the players' salaries.



In May 2005, the Public Opinion Barometer produced by the Open Society Foundation reported that 28% of all citizens trust NGOs, which is a 4% increase from October 2004. The percentage is low, however, compared to the church, army, and media, who enjoyed 83%, 62% and 62% respectively. The government's

perception of NGOs has improved. Government institutions invited NGOs for consultations and public debates with greater frequency than in previous years.

The "1%" law has increased awareness among NGOs of the need to improve public image. Several organizations launched large advertising campaigns in an effort to attract individual donations. NGOs and social campaigns that made great efforts to mobilize aid for flood victims received extensive coverage from the media. The FDSC study, however, reported that only 22.8% of those surveyed could name an organization that had provided citizens with information on public interest issues over the past year.

Though increased advocacy efforts during the elections helped to slightly improve the overall public image of NGOs, most organizations struggle to promote their services and inform the public about their missions. In addition, NGOs have failed to make any noticeable efforts towards increasing their self regulation.